Massachusetts Department of Housing and Community Development (DHCD)

ANNOUNCES AVAILABILITY OF PROJECT-BASED VOUCHERS (PBV) FOR <u>EXISTING</u> UNITS

Amended July 11, 2006 In Accordance With PBV Regulations Published October 13, 2005

The Massachusetts Department of Housing and Community Development (DHCD), through its regional administering agencies (RAA), is pleased to announce the availability of a minimum of 300 Section 8 "existing" project-based vouchers (PBV) for statewide distribution.

A maximum of 25% of a building's units can receive PBV. Exceptions to this limit are permitted for:

- 1. Single family housing, defined as buildings with 1-4 units;
- 2. Units in excess of the 25% cap that will house:
 - a) the elderly;
 - b) the disabled; and/or
 - c) families where one or more members will participate in a program of supportive services, throughout the term of the PBV Housing Assistance Payment (HAP) contract.

"Existing" units must substantially comply with HUD and DHCD's Housing Quality Standards (HQS) at time of selection. PBV subsidy will be used to pay the owner a portion of the monthly rent on behalf of eligible households. Participating tenants will generally pay 30% of their income toward their housing costs. Owners must agree to comply with all federal Section 8 PBV voucher requirements found at 24 CFR Part 983, published October 13, 2005 and DHCD's PBV requirements stated in its Section 8 PBV Administrative Plan, available on its web site at: www.mass.gov/dhcd; >Divisions; >Public Housing and Rental Assistance; >Bureau of Federal Rental Assistance. Owners may request a HAP contract term between 2 and 10 years, which can be extended for

up to five years in the final year of the contract (and continue to renew for up to five year periods).

1. Proposal Selection - Threshold Requirements

A. Maximum proposal request: Eight (8) units

B. Unit Size

- 1) Family units of two or more bedrooms; 2) SRO, Enhanced SRO (ESRO) or Efficiency (0 bedroom) units for occupancy by the homeless or those at risk of homelessness. N.B. PBV cannot be used as transitional housing.
- 2) A maximum of 30 units in any calendar year may be awarded to units that meet the following criteria: a) efficiency (0 bedroom) and/or one (1) bedroom units for occupancy by the disabled, and/or b)assisted living units for occupancy by the elderly or disabled.

2. Unit Condition

Units in B+/A condition, per DHCD's housing quality standard's grading scale stated in its PBV administrative plan, Section 31.3.

3. Deed Restriction and/or Unit Vacancy

Units must meet one of these two following threshold requirements: a) <u>Deed</u> <u>Restriction:</u> Units in a building subject to an affordable housing deed restriction under a government program with at least 20 years remaining; or,

b) **Occupancy:** Units must be vacant and able to remain vacant during the time required to process the PBV application. This process generally takes approximately 2-4 weeks, unless a subsidy layering and/or environmental review is required, in which case the review process can take approximately 3 months.

Lead Paint Requirement

Except for SROs, ESROs or units in a building that have been designated *exclusively* for occupany by the elderly and/or persons with a disability, *all* units constructed prior to January 1, 1978 receiving PBV assistance must comply with the MA Lead Law during the term of the HAP contract, *regardless of the age of the occupants*.

Subsidy Layering Review (SLR)

HUD requires a subsidy layering review for all "existing" PBV units that have other forms of publicly supported housing funds. A PBV HAP contract cannot be



executed until HUD performs and approves the SLR, a process that can take approximately three months.

Environmental Review

HUD requires that all "existing" PBV units comply with HUD environmental regulations stated in 24 CFR parts 50 and 58. Owners must submit evidence from the community's "responsible entity" that the building complies with the requirements of the National Environmental Policy Act (NEPA) or is categorically excluded from a federal environmental review.

Application Information

Applications are currently being accepted. DHCD will announce on its website the date after which it will no longer accept applications. Selections are made on a first come first serve basis. Applications should be submitted to DHCD at 100 Cambridge Street, Suite 300, Attention: Bureau of Federal Rental Assistance, Boston, MA 02114. Only those proposals submitted in response to this advertisement will be considered for selection. Awards will be contingent upon the availability of voucher and budget authority at the time the units will be ready for occupany and compliance with the threshold and preference criteria noted above.

Requests for Application and Review Criteria

The "existing" PBV application is available at DHCD's website at: www.mass.gov/dhcd/. >Divisions, Public Housing and Rental Assistance;, >Bureau of Federal Rental Assistance. The review criteria is also be available at this site. Hard copies of this material can be requested by calling the DHCD at 617-573-1206 or 617-573-1207.

